

COSTA RICA

## PRESIDENT FIGUERES EXPLAINS HIS MUTUAL FUNDS INVOLVEMENT

[Report on President Figueres' press conference; San Jose, La Nacion, Spanish, 18 May 1973, pp 2,4]

"I assume full responsibility for the introduction of mutual funds into Costa Rica," said the President of the Republic, Jose Figueres Ferrer, at a press conference yesterday in answer to questions concerning the ruling issued by the Legislative Assembly Special Committee investigating the activities of mutual funds and those of U.S. financier Robert Lee Vesco in this country.

Figueres, who also spoke about many other local topics, made reference to an article in the U.S. newspaper Wall Street Journal which said that more than 325,000 dollars, transferred from companies connected with the financier Robert Vesco, passed through his [Figueres'] bank account.

Mutual Funds

The President began the press conference by making reference to the ruling of the Legislative Committee on mutual funds. "With all respect due to the deputies, it seems to me that when some months ago they issued their unfavorable judgment under the influence of U.S. and Costa Rican publicity, they had not studied the matter sufficiently before issuing their opinion.

"It now appears that the same deputies have fully analyzed the matter, as I believe we have analyzed it for many years, and if honest investigative procedures are used, no other conclusions can be arrived at than those made by the Assembly Committee today. I at least had always reached these conclusions."

Vesco

The President of the Republic said: "When the second tide of mutual funds arrived, the ones of the Bahamas and those of the Vesco group, and all that, I also brought them. I assume the responsibility. These were my personal transactions, as were the first ones. Movement is demonstrated by walking. I recommended a list of firms in which investments could be made. These were national, government, private, public, and other firms, and among them was the San Cristobal firm to whose establishment I have contributed a lot since I was a boy. With what they invested, the housing factory was founded. Some day," he said addressing the newsmen, "you are invited to see it when it begins operations. With the same investments the synthetic products factory was enlarged and this is one of the firms that is already employing about 1,000 workers."

The 325,000 Dollars and Wall Street Journal

"Now then," he explained immediately, "since the contact with the people of the Bahamas was of a personal nature -- things are always done in this manner -- some amounts, which are very small within the framework of the total, were automatically deposited in my personal bank account, which is small and intended only for small personal expenses. Last year there was in this account what for me personally was a lot of money, although it is nothing in comparison with what came later. However, there was also the money of the Symphony Orchestra for example, and from a small bank that is operating under the name of 'PIA.' Various amounts of money passed through my personal bank account as deposits and withdrawals. There is a friend who needed money to pay for some machinery. He obtained 30,000 dollars in Miami and deposited them in my personal bank account, despite the fact that this was a business transaction. As if I had anything to do with all this."

Further on, the President said: "When I was made the target of newspaper attacks, I asked the bank that has the San Cristobal and my personal accounts to have ready the figures for any authority who wishes to investigate them." He said that "there is an exchange of letters with the U.S. government on this matter, which I shall now terminate with a final letter, because now I am more clearly aware of everything that has happened. The truth is that the Securities Exchange Commission (SEC) which is investigating all these things, and which with my authorization and almost at my request is investigating the bank accounts of San Cristobal and my own, has reported to the judge that 325,000 dollars have passed through my account, which is nothing compared with what came later."

Immediately he explained: "However, it now comes out that this amount did not exist in any deposit or check. This is the amount of the annual activity. It is the amount of the annual activity," he repeated, "which comes to about 325,000 dollars. An extraordinary thing because I have never had expenses even for one-twentieth part of this amount. It had to do with matters not connected with me. The account is suitable for all these things; money that comes in and goes out. There are many people who like to write checks to the President of the Republic. For example, in connection with the Tilaran earthquake, foreign contributions come in the form of a check made out to Jose Figueres. Today I received a small check for 500 dollars from Austria and it says that it is for Tilaran. Here these contributions are also being made to the President of the Republic." (Figueres showed newsmen the check for 500 dollars).

### Wall Street Journal

"Thus," said Figueres, "during 1972, 325,000 dollars passed through my bank account." He added, visibly angry: "Then the Wall Street Journal bums, whom I told yesterday on the telephone that they are a bunch of bastards, very calmly published an article saying that SEC has proven before the judge that 325,000 dollars passed through my bank account. As if it were a check that came in, or something similar." Figueres explained again: "This is the amount of the activity during the year."

He added: "It did not matter to them that 8 days earlier, wanting to cooperate with the U.S. government in clearing up everything, I asked my son to take the documents and the balance sheets and go to New York and tell the judge what has been the largest turnover of money of the San Cristobal firm, my personal transactions, and what each check was for. Of course, he made the trip to New York exclusively to clear up what concerned us. However, the SEC lawyers at that time apparently felt that the trial in which they were interested, the trial against high officials of these mutual funds, was being weakened, and not because they have anything against me or against the firms, or against the country. Therefore they did not want to ask Marti anything. A lawyer pointed out that Marti had traveled thousands of kilometers with his documents to explain all this, but they said 'No, we do not want it because this gentleman is quite disgusted with us'." The President then said: "Of course he was disgusted, but not so much with SEC as with the newspapers, especially with the Wall Street Journal and the magazine Fortune, which had published a slew of charges by insinuation, which resulted, for example, in a Danish newspaper, quoting the Wall Street Journal, saying that President Figueres had received

2.5 million to let the mutual funds come here. So, just like that, I became rich overnight."

A newsman asked Figueres whether this is not slander, to which Figueres replied: "Of course it is slanderous, it is libelous, but it would create a terrible international mess."

### Fight

Figueres vehemently rejected the suggestion of one of those present at the press conference yesterday as to whether locally all this could not be a political electoral campaign. "No, no," he replied, "this is over there." He explained: "Unfortunately there is a fight going on between a large portion of the U.S. press and President Nixon, and they are attacking the administration everywhere they can. Because of some associations they are also attacking our administration, in which I believe no one can be bought and no one is for sale, and during which all the money has been invested here in Costa Rica by the mutual funds, and it is possible to show where it is. There (in the United States) when I was there 15 days ago, I personally invited the people from the Wall Street Journal and Fortune to come and see the investments, go to the factories and look at the books. I told them not to be idiots in imagining that these are bribes, because what they are insinuating is that these are bribes. This is an insult and I am not willing to stand for it. I let the Wall Street Journal really have it yesterday and I even mentioned the disease they are going to die from. I no longer accept their telephone calls or interviews, or anything; let them go to hell. Because this is an insult to the country, my firms, myself, and everybody. Not a single cent has come here that has not been legally invested," he insisted. He added: "Now even the deputies who had been attacking all this have seen it in this light. Things happened just as they said they did. They (the deputies) are from different political parties that disagree with each other and they have taken the precaution of meddling in the matter. They could not have reached any other conclusion. I knew it. I have been managing this for 7 years now and I knew that they would have to reach this conclusion, because it is the true one. I believe that they simply told the truth."

### Personal Bank Account

Further on, Figueres pointed out that "as far as the foolishness is concerned, the latest, that of my personal bank account in New York does not make me very happy. The day I catch here a certain individual from the Wall Street Journal I shall answer him as is done in Latin America or Catalonia."

Figueres added: "Certain newsmen and newspaper firms love scandals. But sooner or later everything gets cleared up. This entire matter is now before a judge and I am not worried because there are normal proofs of everything.

"As I told you," he said, "they even have the nerve to add up the monetary activity in my bank account during 1 year and to present it as if it were a single check."

No Comment on Editorials

The President of the Republic refused to comment on the editorials of our colleagues Diario de Costa Rica and La Republica on the resolution of the committee which investigated the mutual funds. "Regardless of what the editorial writers say," he argued, "I do have my opinion. Any honest person who takes the time, as the deputies did, to investigate the matter will reach their conclusions. These are facts, and when you are going to investigate, there is no other way out than to recognize the truth." He added that "it should be recognized that those who admitted their mistake had the courage to do it. They were the same who had been repeating the idiotic statements coming from certain ill-intentioned headlines in the U.S. press." But he added: "In some newspapers; the New York Times has been more careful and so were others."

Further on he said: "It was a Canadian bum, an adventurer -- I know him -- who wrote the infamous article in Fortune, and an individual who came here several times -- and who is really going to get it -- was the one who wrote in the Wall Street Journal."

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